GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

UNSTARRED QUESTION NO:4032
ANSWERED ON:18.04.2002
DISMANTLING OF APM
MONI KUMAR SUBBA

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) whether the Government have assessed the impact on the current year`s budget proposals for further dismantling of the administered prices mechanism in respect of petroleum products on the health of oil refineries in Assam;

(b) if so, whether the viability of these refineries is likely to be adversely affected during the ensuing year as compared to the last year; and

(c) the steps taken to restore these refineries to good health?

Answer

MINISTER OF STATE IN THE MINISTRY OF PETROLEUM AND NATURAL GAS AND MINISTER OF STATE IN THE MINIS PARLIAMENTARY AFFAIRS (SHRI SANTOSH KUMAR GANGWAR).

(a) to (c): As per the budget proposal for the year 2002-03, petroleum products produced by the north-east refineries are being charged excise duty at half the normal rates. With the grant of excise duty concessions, all the refineries in Assam, except Numaligarh Refineries Limited, will be in an advantageous position as compared to the Administered Pricing Mechanism period.The reduction in the duty concession of Numaligarh Refineries Limited from the earlier 100% to 50% will adversely affect its viability.